

By: CHRIS BISHOP [Burlington County Times](#)

U.S. Rep. John Adler is optimistic that a potentially burdensome regulation on small business will not advance further.

The House of Representatives unanimously passed bipartisan legislation Tuesday that would protect small firms such as dental and accounting offices from the Federal Trade Commission's Red Flags Rule, which forces them to develop and implement an identity-theft program.

Adler, along with Congressmen Mike Simpson of Idaho and Paul Broun of Georgia, both Republicans, promoted the legislation.

Adler said Wednesday the proposal amends the Fair Credit Reporting Act to provide for an exclusion from the Red Flags Rule for health care practices and law and accounting firms with 20 or fewer employees.

Adler, D-3rd of Cherry Hill, estimated that a small firm could spend \$1,000 to \$1,500 on an identity-theft program.

In addition, the bill would create a system in which the FTC is given flexibility to waive the implementation of the rule for certain businesses.

"Small businesses are the backbone of New Jersey's economy," said Adler, a member of the House Financial Services Committee. "This is a common-sense fix to something the bureaucracy created."

Adler, a former New Jersey state senator, said doctors and dentists are not creditors and should not be forced to spend money to comply with unnecessary regulations.

"They don't require full payment at the time of service," Simpson said in a statement, "because

they first bill the insurance company, then they bill the patient for the remainder of the bill. This system should not be treated the same as a loan with a financial institution. Health care is expensive enough. We don't need to create needless rules to increase costs even more."

According to Adler, the commission went beyond Congress' intent by considering nonfinancial, services-related industries to be "creditors" under the fair credit act of 2003.

Adler said the bill will go to the Senate for consideration. He said he hoped to have the legislation in place by the end of the year.

Contact: cbishop@phillyBurbs.com or 609-871-8140